

Financial Report

*New Orleans Outreach
(In Liquidation)*

July 31, 2013



Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date APR 02 2014

TABLE OF CONTENTS

New Orleans Outreach New Orleans, Louisiana (In Liquidation)

July 31, 2013

	<u>Page Number</u>
Financial Section	
Independent Auditor's Report	1 - 2
Exhibits	
A - Statement of Financial Position	3
B - Statement of Activities	4
C - Statement of Functional Expenses	5
D - Statement of Cash Flows	6
E - Notes to Financial Statements	7 - 12
Special Reports of Certified Public Accountants	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	13 - 14
Independent Auditor's Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133	15 - 17
Schedule of Expenditures of Federal Awards	18
Notes to Schedule of Expenditures of Federal Awards	19
Schedule of Findings and Questioned Costs	20 - 21
Reports by Management	
Schedule of Prior Year Findings and Questioned Costs	22
Management's Corrective Action Plan	23

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors,
New Orleans Outreach,
New Orleans, Louisiana.

Report on the Financial Statements

We have audited the accompanying financial statements of New Orleans Outreach (a nonprofit organization), which comprise the statement of financial position as of July 31, 2013, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position in liquidation of New Orleans Outreach as of July 31, 2013, and the changes in its net assets in liquidation and its cash flows in liquidation for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Liquidation and Basis of Accounting

As described in Note 1 to the financial statements, the Board of Directors of New Orleans Outreach approved a plan of liquidation on June 3, 2013, and New Orleans Outreach transferred all its assets and liabilities to another nonprofit organization on August 16, 2013. There is no difference between the liquidation basis of accounting and the accrual basis of accounting for New Orleans Outreach. Our opinion is not modified with respect to that matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2013, on our consideration of New Orleans Outreach's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering New Orleans Outreach's internal control over financial reporting and compliance.



Certified Public Accountants.

New Orleans, Louisiana,
December 12, 2013.

STATEMENT OF FINANCIAL POSITION**New Orleans Outreach
New Orleans, Louisiana
(In Liquidation)**

July 31, 2013

Assets	
Cash	<u>\$ 228,177</u>
Liabilities	
Accounts payable and accrued expenses	\$ 922
Net Assets	
Unrestricted	<u>227,255</u>
Total liabilities and net assets	<u>\$ 228,177</u>

See notes to financial statements.

STATEMENT OF ACTIVITIES

New Orleans Outreach
New Orleans, Louisiana
(In Liquidation)

For the year ended July 31, 2013

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Totals</u>
Revenues and Support			
Unrestricted			
Contributions	\$ 585,669	\$ -	\$ 585,669
Government grants	507,076		507,076
In-kind support	297,257		297,257
New Orleans United Way grants	19,634		19,634
Net assets released from restrictions	<u>100,000</u>	<u>(100,000)</u>	<u>-</u>
Total revenues and support	<u>1,509,636</u>	<u>(100,000)</u>	<u>1,409,636</u>
Expenses			
Program services	1,428,952		1,428,952
Management and general	41,698		41,698
Fundraising	<u>11,873</u>	<u>-</u>	<u>11,873</u>
Total expenses	<u>1,482,523</u>	<u>-</u>	<u>1,482,523</u>
Increase (Decrease) In Net Assets	27,113	(100,000)	(72,887)
Net Assets			
Beginning of year	<u>200,142</u>	<u>100,000</u>	<u>300,142</u>
End of year	<u>\$ 227,255</u>	<u>\$ -</u>	<u>\$ 227,255</u>

See notes to financial statements.

STATEMENT OF FUNCTIONAL EXPENSES

New Orleans Outreach
New Orleans, Louisiana
(In Liquidation)

For the year ended July 31, 2013

	Program Services	Support Services Management and General	Fund - Raising	Totals
Depreciation	\$ 5,599	\$ 742	\$ 405	\$ 6,746
Facilities	54,133	7,089	3,221	64,443
Health insurance	44,102	3,835	-	47,937
Insurance	45,066	5,902	2,683	53,651
Miscellaneous	6,145	806	365	7,316
Office expenses	3,428	449	204	4,081
Payroll taxes	28,828	3,352	1,341	33,521
Postage and shipping	1,038	136	61	1,235
Printing	296	39	18	353
Professional services	275,304	5,638	-	280,942
Program	177,357	-	-	177,357
Public relations	600	-	-	600
Salaries	489,535	13,710	3,575	506,820
Travel and meetings	264	-	-	264
Volunteer services	297,257	-	-	297,257
Total expenses	<u>\$ 1,428,952</u>	<u>\$ 41,698</u>	<u>\$ 11,873</u>	<u>\$ 1,482,523</u>

See notes to financial statements.

STATEMENT OF CASH FLOWS

New Orleans Outreach
New Orleans, Louisiana
(In Liquidation)

For the year ended July 31, 2013

Cash Flows From Operating Activities

Decrease in net assets \$ (72,887)

Adjustments to reconcile decrease in net assets to
net cash used in operating activities:

Depreciation 6,746

Donations of assets 4,904

Changes in assets and liabilities:

Decrease in grants receivable 90,441

Decrease in accounts receivable 11,200

Decrease in prepaid expense 2,200

Decrease in accounts payable and accrued expenses (45,814)

Net cash used in operating activities (3,210)

Net Decrease in Cash (3,210)

Cash

Beginning of year 231,387

End of year \$ 228,177

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS**New Orleans Outreach
New Orleans, Louisiana
(In Liquidation)**

July 31, 2013

Note 1 - NATURE OF ACTIVITIES AND BASIS OF PRESENTATION

New Orleans Outreach (the "Organization") is a non-profit, non-stock corporation organized to bring the community into public elementary, middle and high schools in Orleans Parish by matching the skills and interests of volunteers and paid professionals with educational needs of teachers, students, and parents. The Organization provides elective programs for students to enrich children's education, build the capacity of schools to educate children and to increase community support for, and involvement in, public education. The Organization gives public school students access to meaningful educational experiences that increase academic success, develop skills, and inspire students to participate fully in community life.

Plan for Liquidation and Basis of Presentation

On June 3, 2013, the Board of Directors of the Organization adopted a plan to liquidate the Organization. The plan for liquidation provided for the transfer of remaining assets and liabilities upon liquidation to FirstLine Schools, Inc. The Organization has valued its assets and liabilities to amounts which were expected to be transferred upon liquidation. The transfer of assets and liabilities occurred on August 16, 2013. There was no effect from the revaluation on the statements of activities and functional expenses.

The financial statements of the Organization have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities. The accrual basis of accounting is equivalent to the liquidation basis of accounting for the Organization.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Presentation of Net Assets

Net assets, revenues, and expenses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted Net Assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets - Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or the passage of time. There were no temporarily restricted net assets as of July 31, 2013.

Permanently Restricted Net Assets - Net assets subject to donor - imposed stipulations that are maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on related cash and investments for general or specific purposes. There are no permanently restricted net assets as of July 31, 2013.

b. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

c. Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Organization considers money market funds and short-term investments, with an original maturity of less than three months from the acquisition date, to be cash equivalents. As of July 31, 2013, the Organization did not have any cash equivalents.

d. Grants Receivable and Accounts Receivable

Grants receivable and accounts receivable are stated at the amount management expects to collect from outstanding balances. Management monitors outstanding balances and writes off all balances deemed uncollectible.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Promises to Give

Unconditional promises to give are recognized when the donor makes a promise to give that is, in substance, unconditional. Conditional promises to give are recognized when the conditions on which they depend are substantially met. As of July 31, 2013, there were no unconditional or conditional promises to give.

f. Contributions and Revenue Recognition

Contributions are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions. Support that is restricted by a donor is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions. Donor restricted contributions whose restrictions are met in the same reporting periods are reporting as unrestricted support.

g. Property and Equipment

Property and equipment is recorded at cost when purchased and at fair market value when received as a donation. Expenditures for maintenance, repairs, and minor renewals are charged against earnings as incurred. Major expenditures for improvements, renewals, and betterments are capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Estimated useful lives of property and equipment range from three to seven years. The cost and accumulated depreciation of assets sold or retired are removed from the respective accounts and any resulting gain or loss is reflected in the change in net assets.

h. Allocated Expenses

The costs of providing the programs and other activities are summarized in the Statement of Functional Expenses. Certain expenses have been allocated among the programs and supporting services based on management's estimates of the costs involved.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. Donated Services of Volunteers

The Organization records the value of contributed services when the services received (a) create or enhance nonfinancial assets or (b) require specialized skills which would typically need to be purchased if not provided by donation. The value of contributed services is recorded for individuals who teach subjects which require professional training. Some volunteers donate their time in the Organization's program activities; these services are not recorded if these individuals do not have specialized skills.

For the year ended July 31, 2013, the Organization recorded \$297,257 of donated services.

j. Organization and Income Taxes

The Organization is a nonprofit corporation organized under the laws of the State of Louisiana and is exempt from federal income tax under Section 501 (c)(3) of the Internal Revenue Code ("IRC"), and qualifies as an organization that is not a private foundation as defined in Section 509(a) of the IRC. It is also exempt from Louisiana income tax under Section 121(5) of Title 47 of the Louisiana Revised Statutes of 1950.

Accounting standards provide detailed guidance for financial statement recognition, measurement, and disclosures of uncertain tax positions recognized in an entity's financial statements. It requires an entity to recognize the financial statement impact of a tax position when it is more likely than not that the position will not be sustained upon examination. Tax years ended July 31, 2010 and later remain subject to examination by the taxing authorities. As of July 31, 2013, management of the Organization believes that it has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

k. Subsequent events

Management evaluates events occurring subsequent to the date of financial statements in determining the accounting for and disclosure of transactions and events that effect the financial statements. Subsequent events have been evaluated through December 12, 2013, which is the date the financial statements were available to be issued.

Note 3 - PROPERTY AND EQUIPMENT

All furniture and equipment was disposed of during July 2013. Depreciation expense for the year ended July 31, 2013 was \$6,746.

Note 4 - GOVERNMENT CONTRACTS

The Organization and the Louisiana Department of Education entered into two contracts whereby funds are provided through the United States Department of Education Title IV After School Learning Centers ("21st Century Community Learning Centers") program. The funding was provided to expand academic enrichment opportunities for children attending lower performing schools through the creation of community learning centers. The contract extends from January 2010 through December 2012 with maximum funding of \$800,000 (subsequently amended to \$2,556,750 on December 15, 2012). Management believes that the Organization is in compliance with the provisions of the contract and that the findings of an audit, if any, would not have a material impact on the financial statements.

For the year ended July 31, 2013, the Organization received \$507,076 of funding from the contracts, as a pass through from the Louisiana Department of Education. Funding for the year was approximately 42% of revenue, excluding in-kind support. The grant amounts are appropriated by the federal and state governments.

Note 5 - LINE OF CREDIT

The Organization had an unsecured line of credit with a maximum borrowing limit of \$20,000 with a local financial institution during the year. The loan expires when demand is made by the lender or when the line is terminated by the lender or the Organization. The loan was terminated as of July 31, 2013.

Note 6 - LEASE COMMITMENT

The lease of the Organization's office space commenced on July 1, 2010 and was for a term of three years with monthly lease payments of \$2,200. Rental expense included in facilities expense on the Statement of Functional Expenses totaled \$26,400 for the year ended July 31, 2013. The lease was terminated on July 31, 2013.

Note 7 - EMPLOYEE BENEFIT PLAN

The Organization maintained a 403(b) defined contribution retirement plan on behalf of eligible employees. Employees could make contributions to the plan within the limits set by the Internal Revenue Code. The Organization made no contributions to the plan for the year ended July 31, 2013.

Note 8 - SUBSEQUENT EVENTS

The Organization transferred all of its cash to FirstLine Schools, Inc. on August 16, 2013. Also, at this time all liabilities related to the business operations were assumed by FirstLine Schools, Inc. As of August 16, 2013, the Organization was fully dissolved.

SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Board of Directors,
New Orleans Outreach,
New Orleans, Louisiana.

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of New Orleans Outreach (the "Organization"), which comprise of the statement of financial position as of July 31, 2013, and the related statements of activities and changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon, dated December 12, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be a material weakness or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of the Board of Directors, management, the Legislative Auditor for the State of Louisiana, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than those specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

New Orleans, Louisiana,
December 12, 2013.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH REQUIREMENTS THAT COULD HAVE A DIRECT
AND MATERIAL EFFECT ON EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of Directors,
New Orleans Outreach,
New Orleans, Louisiana.

Report on Compliance for Each Major Federal Program

We have audited New Orleans Outreach's (the "Organization") compliance with the types of compliance requirements described in the U.S. Office of Management and Budget ("OMB") Circular A-133 Compliance Supplement that could have a direct and material effect on the Organization's major federal program for the year ended July 31, 2013. The Organization's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the Organization's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance of the major federal program. However, our audit does not provide a legal determination of the Organization's compliance.

Opinion on Each Major Federal Program

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended July 31, 2013.

Report on Internal Control Over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstance for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control is solely to describe the scope of our testing of internal control over compliance and the results of that testing are based on the requirements of OMB circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the Organization as of and for the year ended July 31, 2013 and have issued our report thereon dated December 12, 2013, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

This report is intended solely for the information and use of the Board of Directors, management, the Legislative Auditor for the State of Louisiana, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Bougeois Bennett, L.L.C.

Certified Public Accountants

New Orleans, Louisiana,
December 12, 2013.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

New Orleans Outreach New Orleans, Louisiana

For the year ended July 31, 2013

<u>Federal Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
United States Department of Education:		
<u>Pass-Through Program From:</u>		
<u>Louisiana Department of Education</u>		
Title IV After School Learning Centers		
(21st Century Community Learning Centers)		
Grant Period 2012 - 2013	84.287	<u>\$ 507,076</u>
 Total United States Department of Education		 <u><u>\$ 507,076</u></u>

See notes to Schedule of Expenditures of Federal Awards.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

New Orleans Outreach
New Orleans, Louisiana

For the year ended July 31, 2013

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of New Orleans Outreach and is presented on the accrual basis of accounting. Grant revenues are recorded for financial reporting purposes when the Organization has met the cost reimbursement of funding qualifications for the respective grants. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

b. Payments to Subrecipients

There were no payments to subrecipients for the year ended July 31, 2013.

Note 2 - FINDINGS OF NONCOMPLIANCE

There are no findings of noncompliance disclosed in the accompanying Schedule of Findings and Questioned Costs.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

New Orleans Outreach
New Orleans, Louisiana

For the year ended July 31, 2013

Section I - Summary of Auditor's Report

a) Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified that are not considered to be a material weakness ☐ Yes ☒ None reported

Noncompliance material to financial statements noted? ☐ Yes ☒ No

b) Federal Awards

Internal control over major program:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified that are not considered to be a material weakness ☐ Yes ☒ None reported

Type of auditor's report issued on compliance for major programs: unqualified

- Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133 ☐ Yes ☒ No

Section I - Summary of Auditor's Report (Continued)

c) Identification of Major Program:

CFDA Number
84.287

Name of Federal Program
United States Department of Education:
Title IV After School Learning Centers
(21st Century Community Learning Centers)

Dollar threshold used to distinguish
between Type A and Type B programs: \$300,000

Auditee qualified as a low-risk auditee? X Yes No

Section II - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Basic Financial Statements**Internal Control Over Financial Reporting**

There were no findings noted during the audit for the year ended July 31, 2013 related to internal control over financial reporting material to the basic financial statements.

Compliance and Other Matters

There were no findings noted during the audit for the year ended July 31, 2013 related to compliance and other matters.

Section III - Internal Control And Compliance Material to Federal Awards**Internal Control/Compliance**

There were no findings noted during the audit for the year ended July 31, 2013 related to internal control and compliance material to federal awards.

REPORTS BY MANAGEMENT

SCHEDULE OF PRIOR YEAR FINDINGS AND
QUESTIONED COSTS

New Orleans Outreach
New Orleans, Louisiana

For the year ended July 31, 2013

**Section I - Internal Control Over Financial Reporting and Compliance and Other Matters
Material to the Financial Statements**

Internal Control Over Financial Reporting

There were no findings noted during the audit for the year ended July 31, 2012 related to internal control over financial reporting material to the basic financial statements

Compliance and Other Matters

There were no findings noted during the audit for the year ended July 31, 2012 related to compliance and other matters.

Section II - Internal Control and Compliance Material To Federal Awards

There were no findings noted during the audit for the year ended July 31, 2012 related to compliance material to federal awards.

Section III - Management Letter

A management letter was not issued in connection with the audit for the year ended July 31, 2012.

MANAGEMENT'S CORRECTIVE ACTION PLAN

New Orleans Outreach
New Orleans, Louisiana

For the year ended July 31, 2013

Section I - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Basic Financial Statements

Internal Control Over Financial Reporting

There were no findings noted during the audit for the year ended July 31, 2013 related to internal control over financial reporting material to the basic financial statements.

Compliance and Other Matters

There were no compliance findings material to the financial statements were noted during the audit for the year ended July 31, 2013 related to compliance and other matters.

Section II - Internal Control and Compliance Material To Federal Awards

There were no internal control findings or compliance findings material to federal awards noted during the audit for the year ended July 31, 2013.

Section III - Management Letter

A management letter was not issued in connection with the audit for the year ended July 31, 2013.